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UNITED STATES DEPARTMENT OF AGRICULTURE
U.S. FARM SECURITY ADMINISTRATION
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GOALS AND METHODS OF THE FARM SECURITY ADMINISTRATION U.S. Department of Agriculture

General Problem

The Farm Security Administration's chief function now is to help farmers raise the vast amount of food needed to win the war. For FSA this means concentrating on aid to low-income farmers. These are the 1,700,000 farm families who in 1936 were trying to live on an average income of less than \$500 a year, including all the food and other products which they raised for their own use. These are the 3,000,000 American farmers who receive less than 15 per cent of the total national farm income which itself -- including the income of large, medium and small farmers -- constitutes only nine per cent of the national income. Of this already inadequate total agricultural income, the share that goes to the 3,000,000 low-income farmers is so small that, even if raised by parity prices, it remains far too low to materially or permanently better the small farmer's position. Moreover, handicapped as they are by inadequate marketing organization and outlets, poor land, uneconomic units, tenancy, inferior products and comparatively inefficient operation due to inadequate mechanization, these small farmers even individually cannot benefit from high prices as can large operators. High prices may, in fact, even work against small farmers by raising land values, thus encouraging foreclosures and expanded operations by large farmers.

FSA Policy

Recognizing this effect of our agricultural system, the FSA holds to the philosophy that these farmers must be rehabilitated by measures above and outside the price structure. It believes that they can only be assisted by direct attacks on the various symptoms of their disadvantaged position. This means specific programs, usually including capital, techniques and education. These programs are designed to increase the efficiency of farm purchasing, marketing, operation, and management, to decrease tenancy, improve tenure leases, to help adjust debts, and to aid small farmers in obtaining proper diet, family living, and community and medical services.

Subsidies Ineffective

Direct subsidies alone cannot do the job. Even if these farmers were given ample direct subsidies, the traditions and habits of rural generations geared to a low income would block any automatic general improvement in their condition. Moreover, such subsidies at best would result in only temporary alleviation of small farmers' ills. Unless fundamental changes are assured, the workings of our agricultural system inevitably would again reduce these farmers to the former depressed condition.

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Education Needed

For these reasons, the FSA combines low-interest loans with education and direct assistance in meeting low-income farmers' particular problems. It thus seeks to raise small farmers toward equality with large farmers by helping them obtain not only the capital, but the marketing and management methods as well as the training, knowledge and values of living possessed by the larger and more prosperous farm operators.

A Unified Program

Fundamental in this policy is the premise that the FSA approach to aiding low-income farmers is one general approach made up of various specific programs which attack the different problems arising from the general disadvantaged position of low-income farmers. These symptoms may appear as lack of capital, lack of marketing methods and outlets, poor land, inefficient operation and techniques or a high tenancy rate. One, several or all may appear in individual cases. But all appear in the general picture of the small farmer and all arise from the common situation of small farmers.

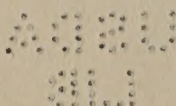
Elasticity

This fact demands that the FSA program be carried on, consistently and simultaneously, on all these fronts, although at times one or another phase may be emphasized. The FSA believes that if it limited its program to attacking one or two objectives it would fail to achieve even those objectives. Reducing tenancy and helping adjust farm debts is insufficient unless steps are taken to see that small farmers do not again drift into tenancy or become heavily mortgaged. Improvement of marketing through cooperatives may still leave the small farmer too inefficient to compete unless operating efficiency can be raised by cooperative use of heavy equipment. Capital without assistance in farm management in the long run may prove no more helpful than farm management assistance without capital. Loans to improve housing and provide medical care fail unless accompanied by education and specific plans for transforming capital into housing and medical service.

Conclusion

The FSA program is thus one program. One part of the program, whether it be rehabilitation loans or farm debt adjustment, cannot be abandoned or weakened without weakening or destroying the effectiveness of other phases of the program. One part of the program will not produce results unless complemented by other parts. Likewise, the FSA believes that farmers must be aided as a whole, whatever their position on the agricultural ladder. Agriculture can only prosper as a whole, and low-income farmers must be assisted whether they are still owners or have become tenants, sharecroppers or agricultural workers.

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